

## FISCAL NOTE

### SB 2426 - HB 2779

January 31, 2004

**SUMMARY OF BILL:** Requires persons engaged in home solicitation sales to submit to a criminal background check. A person or business entity engaging in home solicitation sales will be required to obtain a home solicitation sale permit for a fee of \$50.00 from the county clerk where solicitation sale will be conducted. The employer of a person engaging in home solicitation sales or a contractor will also be required to pay the cost of a TBI background check. Under this bill, it would be a Class E felony for a seller to conduct home solicitation sales if such seller had been convicted of a felony. Any other violation of the provisions of the bill would be punished as a Class B misdemeanor.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$400,000**

**Increase State Revenues - \$400,000**

**Increase State Expenditures - \$5,000/Incarceration\***

**Increase Local Govt. Expenditures\* - \$500,000**

**Increase Local Govt. Revenues - \$500,000**

Estimate assumes:

- a minimum of 10,000 permits will be issued annually;
- TBI will conduct background checks at a cost of \$40 per investigation (TBI retains \$16 and pays FBI \$24 per background check)
- \$50 permit fee will be paid to local government for the collection of fees and the costs to issue the permits and maintain records;
- additional fiscal impact on local government revenues and expenditures depends upon the number of persons convicted of the Class B misdemeanor offense and the resulting increase in cost to confine such persons versus the increase in revenues from fines levied and collected under the provisions of bill which is not estimated to be significant;
- one Class E felony conviction.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

\*Section 9-4-210, TCA, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated for operating cost, in current dollars, shall be based upon the highest cost of the next 10 years, beginning with the year the additional sentence to be served impacts the correctional facilities population.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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